GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:11
ANSWERED ON:17.02.2006
ANDHRA PRADESH WATER SECTOR IMPROVEMENT PROJECT
Reddy Shri Mekapati Rajamohan

Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Andhra Pradesh has submitted a project proposal viz Andhra Pradesh Water Sector Improvement Project (APWIP) at an estimated cost of about 300 crores to be implemented in a period of 5-6 years with the World Bank assistance; and

(b) if so, the present status of the project ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (PAWAN KUMAR BANSAL)

(a) Yes, Sir.

(b) Andhra Pradesh is a debt stressed State. Before the proposal is considered for World Bank assistance the following conditions need to be addressed by the Government of Andhra Pradesh:

(i) State Government undertakes to stand committed to the targets of fiscal correction path (i.e. to eliminate revenue deficit and reduce fiscal deficit to 3% of GSDP by the end of 2008-09), and

(ii) Substitute an agreed source of borrowings within the borrowing ceiling fixed for the State.